http://taxjustice.blogspot.com/2007/04/open-letter-to-senator-stuart-syvret.html (Accessed by ISGP-studies.com: January 9, 2020)

TAX JUSTICE NETWORK: Why tax havens cause poverty

Tuesday, April 03, 2007

Open letter to Senator Stuart Syvret

Dear Stuart

Your political capital must have hit a low ebb for you to feel the need to publicly state: *"I have never been a member or supporter of organisations such as the Tax Justice Network and Attac and so on. I don't agree with them. If we didn't have the finance industry, we wouldn't have an economy."*

Virtually everything about that statement is misleading, with the exception of your never having been a member of either organisation. You most certainly do support what both organisations represent. You do agree with the policy measures they propose at national and international levels. And to state that Jersey would not have a finance industry if international efforts to crack down on abusive tax practices were to succeed, or if a **Tobin Tax** were introduced, is to openly concede that the Jersey economy is based on supporting illicit activities which governments and multilateral agencies around the world recognise as harmful. Why, in the context of an exchange with a member of the public over issues of political integrity, did you see the need to distance yourself from your strongly held principles?

You and I go back a long way. You regularly consulted me when I was an economic adviser to the States. We sat together on the Arts Trust and I supported you when the crisis blew up over the Chairman's foolish megalomania. I also supported you when you challenged the manner in which the Limited Liability Partnership law was introduced to the States [through the lobbying of Ernst & Young and PricewaterhouseCoopers]; in fact I provided the evidence that proved Reg Jeune's knowledge of his conflict of interest in that affair. You were a backbencher at the time, and you made it very clear to me – in your typically trenchant style – that you regarded the island's tax haven activities as globally harmful. And as you know, you are the politician I refer to in my chapter of ***A Game As Old As Empire*** when I spoke about meeting with Andrew Edwards during his 1998 review of the regulation of the Crown Dependencies.

We have kept in regular touch throughout the past 9 years since I quit my job in Jersey and settled in the UK. You have frequently sought advice from me and my colleagues, some of whom rank amongst the top financial experts in their fields, and we have gone out of our way to provide analysis and advice. Neither fees nor publicity have been asked for or offered. Time and again we have provided the ammunition you have used so effectively in the States. Don't delude yourself that other States members don't know this. They do. But the public doesn't, and it's the public you seek to deceive. Why?

Over the years you have talked ceaselessly about the realpolitik of Jersey politics, which boils down to not rocking the boat on issues of real substance. History is littered with radical politicians who, having succumbed to the trappings of power, abandon principles and friends

and go it alone in the deluded belief that they change the system from within. Charles Fox, for example, destroyed his reputation for political integrity when he was seduced into taking office alongside Lord North. Fox became the subject of ridicule and scorn. Your attempts to publicly distance yourself from your inner convictions risk turning you into a latter-day local version of Fox. It is time for you to come out and state publicly what you stand for on the important issues of the day.

I hope that you will respect the spirit in which this letter is written and look forward to your reply.

John Christensen

posted by TJN at 10:47 am

*****

2006-2019 Ford Foundation grants list (excel) (also has provided millions to Oxfam):

"- Tax Justice Network Limited: 2007: $250,000. … 2016: $250,000 [and] $500,000. … 2017: $2,000,000.
- Tax Justice Network Africa Limited: … 2017: $250,000. … 2018: $1,000,000."

taxjustice.net/e/about_steer_committee.html (accessed: Dec. 3, 2003): *"John Christensen (Association of Accountancy and Business Affairs, UK), Lucy Komisar (Journalist, USA)…"*

*****

A Game As Old As Empire: The Secret World of Economic Hit Men and Web of Global Corruption

March 2007, John Perkins, Lucy Komisar, John Christensen, a.o.

Introduction by (9/11-no-planer) John Perkins, p. 7:

John Christensen worked for a trust company on the offshore banking haven of Jersey, one of Britain's Channel Islands. There he found himself at the center of the EHM world [Economic Hitman], part of a global offshore banking industry that facilitates tax evasion, money laundering, and capital flight. In "Dirty Money" he reveals the workings of a system that enables the theft of billions from Third World (and First World) citizens...

John Christensen's book chapter (excerpts over pp. 41-62):

Dirty Money: Inside the Secret World of Offshore Banking

I grew up in Jersey... While studying [in London], I linked up with a network of campaigners associated with **Oxfam** 2000... [Oxfam] research continued after my graduation, and, while working in India in the early 1980s, I became increasingly aware [of how] the International Monetary Fund and the World Bank were making it far easier for wealthy people and corporations to evade taxes. ...

[Back in Jersey in the mid 1980s] the growth of demand for offshore services was too great for the island to handle. [Of many choices] I opted for a job with a company called Walbrook Trustees

(Jersey) Limited, a subsidiary of what is now Deloitte Touche, a global accounting firm. Walbrook's clients were spread across the globe, and the business was ideal for me to learn about how capital flight and tax evasion work in practice. …

The true identity of the real (beneficial) owner of the funds was kept strictly secret, and ownership of the offshore companies was disguised by nominee directors and shareholders. Very often the companies belonged to offshore trusts, which are wholly secret and not even registered. Elaborate measures were taken to maintain these walls of secrecy, including programming fax machines to give the appearance that the client companies actually ran functional offices in Jersey and endless precautions to ensure that outsiders would be unable to learn the true identity of the client. This was particularly handy for one client, a syndicate of stockbrokers in London, which used an anonymous offshore company in Jersey as the base for handling its very extensive insider trading racket with almost total impunity. The amounts involved in that company alone ran to hundreds of millions of pounds. ...

From my office window overlooking the Saint Helier waterfront I could watch Jersey's transition to an offshore financial center. Old townhouses and agricultural merchant stores were rapidly giving way to office blocks for international banks and accounting firms. … Porsches, Jaguars, and BMWs were favorites on an island measuring a mere nine miles by five [with] a maximum speed limit of forty miles per hour. …

Increasingly bored by the work and troubled by the tax avoidance industry, I quit my job at the trust company and applied for a post as economic adviser to the island's government. I was appointed in the autumn of 1987. [However] as civil servants we were expected to see no evil, hear no evil, and speak no evil about the tax haven. This "three monkeys" attitude stemmed from constant fears that financial scandals would damage Jersey's reputation. ...

Local politics are dominated by property owners and business interests. The offices of Chief Judge and president of the States (the legislature) are combined in the post of the island's Bailiff, an appointment made by the British Crown, which means no clear distinction exists between the legislature and judiciary. Jersey's sole newspaper, the Jersey Evening Post, was for many years controlled by the island's most senior politician [Frank Walker]. ... A number of senior politicians sat on the boards of the companies they were supposed to regulate [through their positions on the] States Finance and Economics Committee [and in the] Financial Services Department. ...

Approximately one quarter of the working-age population is directly employed in the island's offshore finance center, and most of the other residents depend on its revenues circulating through the local economy. In such conditions there is little scope for sustained critical scrutiny of what the policy makers are up to. This absence of the checks and balances required of a democratic state creates an ideal environment for incompetence and corruption, especially on a small island with a deeply embedded culture of conformism and secrecy. ...

To make matters worse, in 1997 plans were being discussed to reduce my professional independence by restricting the advisory role of my office to only senior politicians rather than members of the entire States assembly. ...

pp. 61-62: After a long period of heart searching, I resigned from the Jersey Civil Service in January 1998 and agreed to serve out a six-month notice period. The day after news of my resignation was published in the Jersey Evening Post I was contacted by a firm of headhunters offering twice my previous earnings to join the management team of an offshore company administration business. I knew the company and liked the management team, but I turned the offer down without hesitation.

At the end of June we organized a "boat in the morning" party, said good-bye to our many friends in Jersey and two days later took the ferry from Saint Helier to Weymouth in England.

In 1999, **Oxfam** offered me an advisory role as part of a team investigating the impact of tax havens on developing countries. Oxfam's report, Releasing the Hidden Billions for Poverty Eradication, generated huge international interest when it was published in June 2000. [As a result, in February 2003] the **Tax Justice Network** was formally launched at a ceremony in the British Houses of Parliament. ...

My critical comments about tax havens in international newspapers like the Financial Times, the Guardian, and Le Monde, or on BBC current affairs programs were regarded as outright treachery. ... In 2005 I threatened to report Chris Bright, editor of the Jersey Evening Post, to the British Press Complaints Commission unless he published an article with drawing smears against my character and motivation. He quickly capitulated. ...